What is claimed is:

1. A method of consolidating independent owners of distribution warehouses into a Real Estate Investment Trust (REIT), comprising the steps of:

a) forming the REIT;

b) assembling a group of independent owners of distribution warehouses willing to participate in ownership of the REIT;

c) selecting participants in the REIT from the group of owners whereby the participants each enter into a sale-leaseback agreement with the REIT, the sale-leaseback agreement comprising terms obligating the participant to sell the participant's warehouse to the REIT at an appraised fair market value thereof, to lease the warehouse from the REIT after sale thereof under a lease agreement providing for a triple-net lease and requiring the participant to pay rent to the REIT, the rent being determined by a standard formula that charges a uniform rate per square footage of the warehouse so that the participant knows in advance what rent the participant will be required to pay, and to renew the lease agreement on a periodic basis;

d) appraising each participant's warehouse to determine the appraised fair market value thereof;

e) transferring title in each participant's warehouse to the REIT, the transferring of title being accomplished when the

REIT purchases the warehouse from the participant for the appraised fair market value thereof;

f) leasing each warehouse to the participant from whom the REIT purchased the warehouse, the leasing of each warehouse occurring when the REIT and each participant enter into the lease agreement, the lease agreement comprising terms obligating the participant to pay rent to the REIT;

g) issuing a non-recourse mortgage loan to the REIT, the non-recourse mortgage loan being issued by a lender for a loaned amount which is capable of financing at least a portion of the REIT's cash purchase of the warehouses, the non-recourse mortgage loan comprising terms obligating the REIT to make installment payments of principal and interest to the lender on the loaned amount, whereby the REIT uses the rent paid by the participants to make the installment payments;

h) transferring an ownership interest in the REIT to each participant;

i) reappraising each warehouse to determine a reappraised fair market value thereof and using the reappraised fair market value of each warehouse to calculate a total reappraised fair market value of all of the warehouses;

j) renewing each lease;

k) issuing a new non-recourse mortgage loan to the REIT for a loaned amount that is 70% to 80% of the total reappraised

fair market value of all of the warehouses, the new non-recourse mortgage loan being issued by a lender, the new non-recourse mortgage loan providing proceeds to the REIT;

l) investing the proceeds provided by the new non-recourse mortgage loan in at least one investment capable of producing investment revenue; and

m) distributing at least 90% of net earnings from the investment revenue produced by the at least one investment to the participants.

2. The method according to claim 1, wherein the terms of the sale-leaseback agreement obligate each participant to renew the lease for the participant's warehouse at least every seven years.

3. The method according to claim 1, wherein in step (d) the appraising of each participant's warehouse is conducted by at least one appraiser selected by the lender and wherein each participant pays for cost of appraising the participant's warehouse.

4. The method according to claim 1, wherein in step (i) the reappraising of each warehouse is conducted by at least one appraiser selected by the lender and wherein the REIT pays for cost of reappraising the warehouses.

5. The method according to claim 1, wherein each lease agreement is for a term of at least seven years.

6. The method according to claim 1, wherein each lease agreement is a triple-net lease so that the rent paid by the participants to the REIT equals or is greater than a scheduled debt service on the non-recourse mortgage loan.

7. The method according to claim 1, wherein the rent is established by a method comprising the steps of:

a) determining an annual debt service amount for the non-recourse mortgage loan;

b) determining a total square footage of all the warehouses leased by the REIT;

c) dividing the annual debt service amount by the total square footage to derive a first component price per square foot;

d) adding to the first component a second component and a third component, the second component being an amount dedicated for use by the REIT to pay for general and administrative

expenses of the REIT and the third component being an amount dedicated for use by the REIT as a working capital and to permit the REIT to make interest payments and cash distributions to each participant; the addition of the second and third components to the first component resulting in a formula rental price per square foot; and

e) multiplying the formula rental price per square foot by a square footage of the warehouse leased to the participant to derive an annual rent to be paid by the participant to the REIT.

8. The method according to claim 7, wherein the second component is at least 50 cents per square foot.

9. The method according to claim 7, wherein the third component is at least 25 cents per square foot.

10. The method according to claim 1, wherein the sale-leaseback agreement and the lease agreement are contemporaneously entered into by the REIT and the participant.

11. The method according to claim 1, wherein the non-recourse mortgage loan has a term of at least seven years and is serviced on at least a seven-year debt payment schedule.

12. The method according to claim 1, wherein the REIT pledges the warehouses and an assignment of the lease agreements to the lender as collateral for the non-recourse mortgage loan, the lender having a first primary lien on the warehouses.

13. The method according to claim 1, wherein each participant's ownership interest in the REIT is a prorata share of outstanding shares of the REIT, the prorata share being calculated by dividing the appraised fair market value of the participant's warehouse by a total appraised fair market value of all of the participants' warehouses.

14. The method according to claim 1, wherein each participant continues to pay maintenance expenses, insurance, and ad valorum taxes accruing from the participant's warehouse after transfer of the title thereof to the REIT.

15. The method according to claim 1, wherein if the participant has entered into a lease for the participant's warehouse with a distribution company controlled by the participant, the lease is cancelled before the participant transfers title in the warehouse to the REIT.

16. The method according to claim 1, wherein steps (i)-(l) occur at least every seven years.

17. The method according to claim 1, wherein the REIT purchases each participant's warehouse for a cash payment to the participant of an amount that is 70% to 80% of the appraised fair market value of the warehouse leaving a balance owed and issues a secured note payable to the participant for the balance owed.

18. The method according to claim 17, wherein the secured note provides that the REIT will pay interest accruing on the balance owed to the participant in monthly installment payments.

19. The method according to claim 18, wherein the secured note provides that the REIT will pay the balance owed in full to the participant at the time the REIT obtains the new non-recourse mortgage loan at the end of an initial seven-year lease term.

20. The method according to claim 18, wherein the interest provided in the secured note is set at one percent above a prime rate that exists when the REIT issues the secured note.

21. The method according to claim 17, wherein the secured note is secured by a second lien on the warehouse.

22. The method according to claim 17, wherein the non-recourse mortgage loan issued to the REIT finances the cash payment made by the REIT to each participant.

23. The method according to claim 1, wherein a board of directors of the REIT selects the at least one investment.

24. The method according to claim 23, wherein the at least one investment comprises income producing real estate.

25. A method of consolidating independent owners of distribution warehouses into a Real Estate Investment Trust (REIT), comprising the steps of:

a) forming the REIT;

b) assembling a group of independent owners of distribution warehouses willing to participate in ownership of the REIT;

c) selecting participants in the REIT from the group of owners whereby the participants each enter into a sale-leaseback agreement with the REIT, the sale-leaseback agreement comprising terms obligating the participant to sell the participant's warehouse to the REIT at an appraised fair market value thereof, to lease the warehouse from the REIT after sale thereof by entering into a lease agreement providing for a triple-net lease

and requiring the participant to pay rent to the REIT, the rent being determined by a standard formula that charges a uniform rate per square footage of warehouse so that the participant knows in advance what rent the participant will be required to pay, and to renew the lease agreement at least every seven years;

d) appraising each participant's warehouse to determine the appraised fair market value thereof, the appraising being conducted by at least one appraiser selected by the lender and wherein each participant pays for the cost of appraising the participant's warehouse;

e) transferring title in each participant's warehouse to the REIT, the transferring of title being accomplished when the REIT purchases the warehouse from the participant for the appraised fair market value thereof, the REIT purchases each participant's warehouse for a cash payment to the participant of an amount that is 70% to 80% of the appraised fair market value of the warehouse leaving a balance owed and issues a secured note payable to the participant for the balance owed, the secured note providing that the REIT will pay interest accruing on the balance owed to the participant in monthly installment payments and will pay the balance owed in full to the participant at the time the REIT obtains a new non-recourse mortgage loan for the warehouse, the secured note being secured by a second lien on the warehouse;

f) leasing each warehouse to the participant from whom the REIT purchased the warehouse, the leasing of each warehouse occurring when the REIT and each participant enter into the lease agreement, the lease agreement being a triple-net lease and comprising terms obligating the participant to pay rent to the REIT, the rent being established by a method comprising the steps of: i) determining an annual debt service amount for the non-recourse mortgage loan; ii) determining a total square footage of all the warehouses leased by the REIT; iii) dividing the annual debt service amount by the total square footage to derive a first component price per square foot; iv) adding to the first component a second component and a third component, the second component being an amount dedicated for use by the REIT to pay for general and administrative expenses of the REIT and the third component being an amount dedicated for use by the REIT as a working capital and to permit the REIT to make interest payments and cash distributions to each participant; the addition of the second and third component to the first component resulting in a formula rental price per square foot; and vi) multiplying the formula rental price per square foot by a square footage of the warehouse leased to the participant to derive an annual rent to be paid by the participant to the REIT;

g) issuing a non-recourse mortgage loan to the REIT, the non-recourse mortgage loan being issued by a lender for a loaned

amount which is capable of financing the REIT's cash purchase of the warehouses, the non-recourse mortgage loan comprising terms obligating the REIT to make installment payments of principal and interest to the lender on the loaned amount, whereby the REIT uses the rent paid by the participants to make the installment payments;

h) employing a manager for the REIT, the manager being responsible for general and administrative operations of the REIT, the manager acquiring an ownership interest in the REIT, the REIT paying the manager an annual management fee in an amount that is the first component multiplied by the total square footage of all the warehouses;

i) transferring an ownership interest in the REIT to each participant;

j) reappraising each warehouse to determine a reappraised fair market value thereof and using the reappraised fair market value of each warehouse to calculate a total reappraised fair market value of all of the warehouses, the reappraising being conducted by at least one appraiser selected by a lender, the REIT paying for cost of appraising the warehouses;

k) renewing each lease agreement for an additional term of at least seven years;

l) issuing a new non-recourse mortgage loan to the REIT for a loaned amount that is 70% to 80% of the total reappraised

fair market value of all of the warehouses, the new non-recourse mortgage loan being issued by a lender selected by the REIT, the new non-recourse mortgage loan providing proceeds to the REIT;

m) investing the proceeds provided by the new non-recourse mortgage loan in at least one investment capable of producing investment revenue; and

n) distributing at least 90% of net earnings from the investment revenue produced by the at least one investment to the participants.

26. The method according to claim 25, wherein the manager has a 1% ownership interest in the REIT and each participant's ownership interest in the REIT is a prorata share of a remaining 99% interest of the REIT, the prorata share being calculated by dividing the appraised fair market value of the participant's warehouse by a total appraised fair market value of all of the participants' warehouses.

27. The method according to claim 25, further comprising the step of the REIT purchasing and obtaining title to a leasehold improvement made by the participant to the warehouse leased to the participant, the REIT paying the participant an amount that is the participant's original cost for the leasehold improvement, the REIT's purchase of the leasehold improvement being accomplished at the time the lease agreement is renewed.

28. The method according to claim 25, further comprising the step of making an initial public offering of stock in the REIT on a stock exchange, the initial public offering being approved by a board of directors of the REIT.